

107TH CONGRESS
1ST SESSION

H. R. 2970

To amend the Internal Revenue Code of 1986 to allow businesses to expense qualified security devices.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2001

Mr. WELLER (for himself and Mr. CROWLEY) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow
businesses to expense qualified security devices.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Securing America In-
5 vestment Act of 2001”.

6 **SEC. 2. BUSINESS DEDUCTION FOR PURCHASE AND IN-**
7 **STALLATION OF SECURITY DEVICES.**

8 (a) IN GENERAL.—Part VI of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 (relating to
10 itemized deductions for individuals and corporations) is

1 amended by inserting after section 179A the following new
2 section:

3 **“SEC. 179B. SECURITY DEVICE PURCHASES.**

4 “(a) ALLOWANCE OF DEDUCTION.—A taxpayer may
5 elect to treat the cost of any qualifying security device as
6 an expense which is not chargeable to capital account. Any
7 cost so treated shall be allowed as a deduction for the tax-
8 able year in which such device is placed in service.

9 “(b) DEFINITIONS.—For purposes of this section—

10 “(1) QUALIFYING SECURITY DEVICE.—The
11 term ‘qualifying security device’ means a security
12 device (to which section 168 applies) which is ac-
13 quired by purchase (as defined in section 179(d)(2))
14 and which is installed or placed in service in a build-
15 ing which is owned or occupied by the taxpayer and
16 which is located in the United States.

17 “(2) SECURITY DEVICE.—The term ‘security
18 device’ means any of the following:

19 “(A) An electronic access control device or
20 system.

21 “(B) Biometric identification or
22 verification device or system.

23 “(C) Closed-circuit television or other sur-
24 veillance and security cameras and equipment.

1 “(D) Locks for doors and windows, includ-
2 ing tumbler, key, and numerical or other coded
3 devices.

4 “(E) Computers and software used to com-
5 bat cyberterrorism.

6 “(F) Electronic alarm systems to provide
7 detection notification and off-premises trans-
8 mission of an unauthorized entry, attack, or
9 fire.

10 “(G) Components, wiring, system displays,
11 terminals, auxiliary power supplies, and other
12 equipment necessary or incidental to the oper-
13 ation of any item described in subparagraph
14 (A), (B), (C), (D) (E), or (F).

15 “(3) BUILDING.—The term ‘building’ includes
16 any structure or part of a structure used for com-
17 mercial, retail, or business purposes.

18 “(c) SPECIAL RULES.—

19 “(1) BASIS REDUCTION.—For purposes of this
20 subtitle, if a deduction is allowed under this section
21 with respect to the purchase of a qualifying security
22 device, the basis of such device shall be reduced by
23 the amount of the deduction so allowed.

24 “(2) CERTAIN RULES TO APPLY.—Rules similar
25 to the rules of paragraphs (3) and (4) of section

1 179(b), section 179(c), and paragraphs (3), (4), (8),
2 and (10) of section 179(d), shall apply for purposes
3 of this section.”.

4 (b) CONFORMING AND CLERICAL AMENDMENTS.—

5 (1) Section 263(a)(1) is amended by striking
6 “or” at the end of subparagraph (G), by striking the
7 period at the end of subparagraph (H) and inserting
8 “, or”, and by inserting after subparagraph (H) the
9 following new subparagraph:

10 “(I) expenditures for which a deduction is
11 allowed under section 179B.”.

12 (2) Section 312(k)(3)(B) is amended by strik-
13 ing “or 179A” each place it appears in the heading
14 and text and inserting “, 179A, or 179B”.

15 (3) Section 1016(a) is amended by striking
16 “and” at the end of paragraph (27), by striking the
17 period at the end of paragraph (28) and inserting “,
18 and”, and by inserting after paragraph (28) the fol-
19 lowing new paragraph:

20 “(29) to the extent provided in section
21 179B(d)(1),”.

22 (4) Section 1245(a) is amended by inserting
23 “179B,” after “179A,” both places it appears in
24 paragraphs (2)(C) and (3)(C).

1 (5) The table of sections for part VI of sub-
2 chapter B of chapter 1 of such Code is amended by
3 inserting after the item relating to section 179A the
4 following new item:

 “Sec. 179B. Security device purchases.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this Act shall apply to taxable years ending after Sep-
7 tember 10, 2001.

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